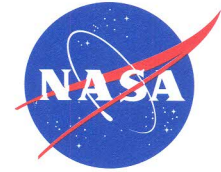


National Aeronautics and Space Administration
Headquarters
Washington, DC 20546-0001



July 30, 2012

Reply to Attn of:

Headquarters Human Resources Management Division

TO: Distribution

FROM: Director, Headquarters Human Resources Management Division

SUBJECT: Employee Performance Communication System Changes for
the 2012-2013 Appraisal Period

At the close of last year's appraisal period, I informed you that there were a number of changes to the Employee Performance Communication System (EPCS) being implemented beginning with the 2012-2013 appraisal period. The details regarding these changes are discussed in the two enclosures along with general and specific Headquarters guidance. In addition, the EPCS forms (NF-1762 for supervisors and NF-1763 for non-supervisors) have been updated to incorporate these changes – detailed instructions that apply to each stage of the performance appraisal period are included in the forms. The forms are available at the NASA Electronic Forms website found at <http://server-mpo.arc.nasa.gov/Services/NEFS/Home.tml>.

You will have until **August 31, 2012**, to coordinate with employees and complete their performance plans for the 2012-2013 appraisal period. As in previous years, we ask that your office certify that the EPCS plans were issued no later than September 7, 2012. Your certification should be sent via email to Ms. Inez Hunter.

Information sessions will be scheduled for managers and employees starting in mid-August. Please share this information with your employees as you establish performance plans for the 2012-2013 appraisal period. If you have any questions, or if you have ideas or feedback to share, please contact Mr. Evester Edd at 358-1953 or by email Evester.Edd@nasa.gov or Ms. Hunter at 358-0658 or by email at Inez.Hunter@nasa.gov.

A handwritten signature in black ink, appearing to read "Leah Hollander".

Leah Hollander

Enclosures

cc:
Headquarters Supervisors
Administrative Contacts

Distribution:

Administrator/Mr. Bolden

Deputy Administrator/Ms. Garver

Associate Administrator/Mr. Lightfoot (Acting)

Chief of Staff/Mr. Radzanowski

- Director for Office of Evaluation/Ms. Petro (Acting)
- Director for Council Staff/Vacant

Associate Deputy Administrator/Mr. Keegan

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Chief Safety and Mission Assurance/Mr. Wilcutt

Chief Scientist/Dr. Abdalati

Chief Technologist/Dr. Peck

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Associate Administrator for Communications/Mr. Weaver

Associate Administrator for Diversity and Equal Opportunity/Ms. Manuel

Associate Administrator for Education/Mr. Melvin

Associate Administrator for International and Interagency Relations/Mr. O'Brien

Associate Administrator for Legislative and Intergovernmental Affairs/Mr. Statler

Associate Administrator for Small Business Programs/Mr. Delgado

Associate Administrator for Aeronautics Research Mission Directorate/Dr. Shin

Associate Administrator for Human Exploration and Operations Mission Directorate/
Mr. Gerstenmaier

Associate Administrator for Science Mission Directorate/Dr. Grunsfeld

Associate Administrator for Mission Support Directorate/Dr. Whitlow

- Assistant Administrator for Human Capital Management/Ms. Buchholz
- Assistant Administrator for Procurement/Mr. McNally
- Assistant Administrator for Protective Services/Mr. Mahaley
- Assistant Administrator for Strategic Infrastructure/Ms. Dominguez
- Director, Internal Controls and Management Systems/Ms. Baugher
- Director, NASA Management Office/Dr. Trinh
- Executive Director, Headquarters Operations/Mr. Henn

cc:

Deputy AA for Public Outreach/Mr. Ladwig

Executive Secretariat/Mr. Box

Office of the Administrator/Ms. Manuel

Office of the Administrator/Ms. McNair

Office of the Administrator/Ms. Simms

Office of the Deputy Administrator/Ms. Holland

Office of the Deputy Administrator/Ms. Ross

Office of the Deputy Administrator/Ms. McWilliams

Office of the Deputy Administrator/Mr. Silcox

Office of the Associate Administrator/Ms. Wijdoogen

CHANGES TO THE EMPLOYEE PERFORMANCE COMMUNICATION SYSTEM (EPCS) 2012-2013 APPRAISAL PERIOD

CHANGE	INFORMATION AND GUIDANCE
Eliminate the Program/Project/Functional Objective (PPFO)	<ul style="list-style-type: none"> - Prior to this change performance plans had all major job responsibilities in the PPFO. Now, plans should include separate performance elements for each of the employee's primary job responsibilities, but only if these responsibilities are critical, i.e., of such importance that unacceptable performance in that element would result in a determination that an employee's overall performance summary rating is Unacceptable. - At least one element in each employee's plan must identify the organizational/agency strategic goal(s) to which it is aligned. It is acceptable for an employee to have only one critical element.
Eliminate non-critical elements	<p>Performance elements may only be established (and rated) for work deemed "critical ." For work previously considered non-critical, the following options are available:</p> <ul style="list-style-type: none"> - Incorporate the work into one of the elements capturing primary job responsibilities. Language from previous performance standards for Communications and Collaboration and Teamwork may be used. Examples are included in Enclosure 2.
Eliminate Communications and Collaboration/Teamwork as mandatory separate elements	<ul style="list-style-type: none"> - This reflects the concept that communications and teamwork are not job duties themselves, but should be measured as part of how job duties are performed. Thus, these factors should be in the performance standards/indicators for elements to which they apply.
Establish "Indicators" for Level 5 for each element of an employee's performance plan (Performance standards will continue to be written at Level 3)	<ul style="list-style-type: none"> - NASA performance standards are written at the Level 3 (Meets Expectations). To better inform employees how to achieve higher ratings, Headquarters has established standard indicators at Level 5. See Page 2 for Headquarters specific indicators. - Indicators are information and examples (not all-inclusive) reflecting performance that may meet expectations for the level at which they are written. - Indicators are not required at this time for the supervisory competencies element. Upon approval, updated criteria (including indicators) will be forwarded to Centers for implementation.
Rating Officials must <i>encourage</i> employees to provide input/ <i>self-assessments</i> at mid-year and at end of cycle	<ul style="list-style-type: none"> - This strengthens current requirements, which state that employees must be offered the opportunity to provide input regarding accomplishments. Rating Officials may now encourage employees to provide self-assessments. - Any input an employee submits must be retained with the annual appraisal to which it pertains.
Requirement for higher-level review of <i>all</i> performance	<ul style="list-style-type: none"> - Higher-level reviews will consist of an overview (e.g., trends, consistency), rather than review of individual ratings. Reviewing officials must only sign individual ratings of Unacceptable.

ratings (instead of only Distinguished, Needs Improvement and Unacceptable)	<ul style="list-style-type: none"> - Reviewing Officials may address observations such as apparent inconsistency between rating officials, potential disparity in ratings between groups of employees, etc. They may require additional justification for ratings. They may not establish specific numerical outcomes for ratings (i.e., state a minimum or maximum number of ratings permitted at a given level). - Centers may provide Reviewing Officials with consolidated data (e.g., an organizational spreadsheet) listing ratings; and approval may be documented on such consolidated documents. Processes for this purpose will be established before the end of the 2012-2013 appraisal period.
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Headquarters Indicators

NASA performance standards are written at Level 3 (Meets Expectations). Headquarters has established standard indicators for all employees at Level 5 (Significantly Exceeds Expectations). Performance indicators for the Distinguished level reflect:

- Highly unusual creativity, initiative, or innovation;
- Accomplishments/results that far exceeded the norm;
- Development of techniques or processes that established a precedent for future endeavors, or a model for other employees to follow;
- Anticipation and prevention of potential problems (in contrast to effective response to problems once they have occurred);
- Exceptional customer service in difficult situations; and
- Voluntary assumption of demanding additional tasks—while continuing to achieve all expectations for regular duties.

This is not an exhaustive list or a set of absolute criteria, but rather a typical set of indicators or examples of the sort of performance that could justify a Distinguished rating.



NASA Employee Performance Communication System Guidance for Headquarters Employees and Managers July 2012

Part I: General Information

This document should be used in conjunction with the following Agency level Policy and guidance:

NPR 3430.1C: Employee Performance Communication System (EPCS), Change 6 (10/29/10)

- HQ guidance: Available on the NASA Human Resources Portal: <https://hr.nasa.gov/> on the Headquarters page under "Performance Management"
- SATERN: Measuring Performance, COURSE OPM-001-06

Forms

Download EPCS Performance Plan from the NASA Electronic Forms website <http://server-mpo.arc.nasa.gov/Services/NEFS/Home.tml>

- NF-1762 – Supervisory Performance Plan and Appraisal
- NF-1763 – Employee Performance Plan and Appraisal
 - ❖ Tip: Click the numbered form on the far left hand side under "Download Sort" for a fillable form.

Covered Employees

All employees are covered by the EPCS except for: Senior Executive Service (SES), Senior Scientific and Technical (ST), Senior Level (SL) employees, and certain students and consultants who serve on intermittent appointments. NASA excepted employees (NEX) *are covered* by the EPCS.

Predetermined Rating Distributions Prohibited

There can be no predetermined distribution of ratings, quota or limit on the number of ratings for any of the five summary rating levels. Employees must be rated on their individual accomplishments, relative to the requirements in their performance plans. (See Part IV for additional guidance.)

There is no predetermined limit on Distinguished ratings. Additionally, the number of Distinguished ratings given should not be dependent on the amount of award funding available within your organization. The rating given should be based solely on the employee's performance.

Linkage Between Performance and Employee Development

NPR 3430.1C stresses the connection between the annual EPCS process and the identification of employee training and development needs. Supervisors are required to have at least one development

discussion with each employee, and sign the EPCS form to confirm that the discussion occurred. (See Parts III and IV for additional guidance)

Linkage Between Ratings and Performance Awards

NPR 3430.1C contains the following requirement:

5.8.5 An employee with a higher performance summary rating level (e.g., Distinguished) must receive a greater monetary performance award, based on a percentage of salary, than an employee with a lower performance summary rating level (e.g., Accomplished).

5.8.5.1 To achieve fairness and consistency in the differentiation of award determinations, based on performance ratings, the Center Director and Assistant Administrator for Infrastructure and Administration (or designee) shall annually establish, based on the awards budget, guidelines (e.g., percentage/range of percentage of salary) for monetary performance awards applicable to Distinguished, Accomplished, and Fully Successful performance summary ratings.

Note: For Headquarters, each Official-in-Charge for his or her organization will continue to establish, based on the awards budget, guidelines (e.g., percentage/range of percentage of salary) for monetary performance awards applicable to Distinguished, Accomplished, and Fully Successful performance summary ratings .

Part II: Performance Planning

When to establish performance plans

- Within 30 days of the beginning of the appraisal period (i.e., by June 1 of each year).
- Within 30 days of a position change or a significant change in an employee's duties.
- Within 30 days of a new employee's entrance on duty.
- When an employee is detailed to different duties for more than 90 days. This may be an amendment or addition to the existing plan, or a new plan.

Employees must be given the opportunity to provide input to their performance plans

- Either the employee or the supervisor may prepare a first draft.
- Ultimately, it is the supervisor who assigns work and who therefore determines the final content of the performance plan.
- The supervisor and employee are encouraged to discuss the content of the plan to reach a clear mutual understanding of what is expected of the employee. Effective two-way communication during the performance plan development is essential to assessing the degree to which an employee met or exceeded expectations.

Continuing two-way communication

- Under the EPCS, supervisor-employee communication is expected to be a continuing process throughout the appraisal period. The performance plan serves to focus and guide this communication.
- The performance plan may be amended if necessary to reflect major changes in program emphasis, external factors, or other unforeseen events. (See Part III for additional guidance)

Format and content of performance plans

- Must use NASA Form 1762 (for supervisors) or NASA Form 1763 (for non-supervisory employees).
- Performance plans must be aligned with agency or organizational goals. It is acceptable to include a statement of how the employee's work is aligned with the NASA Strategic Plan. Generally, employees in mission support positions will contribute to the same strategic goals as the technical employees in their office. Employees in mission support offices may perform work that contributes to the NASA strategic goals.
- Each performance plan must include only critical element(s). A critical element is a work assignment or responsibility of such importance that unacceptable performance in that element would result in a determination that an employee's overall performance summary rating is Unacceptable.
- It is acceptable for a performance plan to have only one critical element that aligns with the NASA Strategic Plan.
- It is recommended that if a performance plan has more than one critical element, that these elements be bona-fide critical elements.
- Communications and Collaboration/Teamwork are to be incorporated in performance standards, as they are no longer mandatory separate elements. (May include language from prior years)

Tips for writing the critical element(s) and performance standards

- Critical element(s) are the employee's primary work assignment or responsibility.
- A critical element should demonstrate how the employee's performance contributes to the Agency's goals and/or functional objectives.
- Ask these questions:
 - Does the employee's critical element track to the supervisor's plan?
 - Do both supervisory and non-supervisory objectives logically track to the NASA Strategic Plan?
 - How does the employee contribute to the strategic goals? Is it through minimizing agency costs; time savings; or diminished litigation risks?
- Useful phrases:
 - ...to support the...in order to carry out/accomplish...so that...
- Standards *are not* activities or tasks
 - Identify the *measures* that will be used to evaluate the employee's performance results (e.g., outputs, products, and/or services)
 - Quality—accuracy, effectiveness
 - Quantity—number, rate
 - Timeliness—by established timeframe or within a stated period
 - Cost-effectiveness—reducing or maintaining costs, reducing waste
- Standards must be written at the "Meets Expectations" level
 - Each employee must have the opportunity to significantly exceed the standards, and achieve a "Distinguished" end-of-year rating
- *Generic critical element(s)* are recommended for employees in similar positions
 - Specific assignments, deliverables, etc., for each employee may be described in attachments to the generic plan.

Part III: Performance Monitoring

General requirements

- Performance communication is a continuing process. Supervisors and employees are urged to take advantage of regular discussions, such as status reports, updates, program review meetings, as opportunities for two-way communication on the achievement of performance expectations.
- Either the employee or the supervisor may initiate a formal progress review at any time during the year.
- At a minimum, one formal progress review is required.
- NPR 3430.1C requires that Center human resources certify to the NASA Office of Human Capital Management, no later than November 30 of each year, that the midterm progress reviews have been completed. The Headquarters Human Resources Management Division (HRMD) will issue a reminder each year to Headquarters offices and will set a reporting date that is slightly earlier than November 30.

The midterm progress review meeting

- Before the meeting, the supervisor should:
 - Review the current employee performance plan
 - Offer the employee an opportunity to provide input
 - Gather any documentation relevant to performance, such as:
 - Notes that he/she has made or has received from others (team leaders, customers, etc.)
 - Status reports, project summaries, and similar documents in common use within the office.
- Before the meeting, the employee should:
 - Review his/her current performance plan;
 - Assess progress to date on each of the performance elements;
 - Identify significant accomplishments so far this year;
 - Address assistance needed from the supervisor in order to meet his/her performance requirements. This may be an employee's role in the organization, developmental or training needs.
- At the meeting, the supervisor and the employee should:
 - Discuss progress on each element in the performance plan. This discussion may include specific examples of accomplishments, what is currently in progress, and future goals.
 - Discuss whether the performance plan should be amended. The progress review is a good time to review the critical elements and standards and to document any modifications to the performance plan.
 - For example:
 - If an employee has changed positions, or has been assigned significantly different duties, one or more new performance elements;
 - If an employee is detailed to another position during the appraisal period or matrixed to one or more projects for 90 days or more, the detail/matrix supervisor or project manager(s) with input from the employee must define duties and assignments. Minor changes or updates may be made in pen and ink on the form.
 - Both the supervisor and employee will annotate the appraisal form to document that the midterm review has taken place. However, if the employee is unwilling to sign, the supervisor's signature is sufficient to document that the review occurred.

Performance that does not meet expectations

- Supervisors should consult with the HRMD as early as possible if any employee is performing at the “Needs Improvement” or “Fails to Meet Expectations” level in one or more critical elements.

Development Discussion

- Supervisors are required to discuss development/training needs with each employee at least once during the appraisal period. A forward-looking progress review includes offering an employee the opportunity to establish an Individual Development Plan (IDP). The IDP formally documents the learning and development goals and activities of the employee as discussed during the midterm progress review. The IDP is a powerful tool that can be used to help employees stay focused on enhancing their skills and competencies in a particular performance area.
- The HRMD/Employee and Organizational Excellence Branch offers many excellent courses, seminars, and programs to Headquarters civil servants to meet their learning and development goals.
- There are other development opportunities that do not involve formal classroom training or involve direct costs. For instance, details, rotational assignments, and other work assignments give employees learning experiences outside their normal job responsibilities.
- The employee and supervisor must sign the performance form (NF 1762 or 1763) to document the development discussion occurred.
- Supervisors are required to discuss training and development needs with each employee at least once during the appraisal period.

Part IV: Performance Rating

Completing rating forms

- Each eligible employee must be given an annual official performance rating (rating of record), normally within 30 days after the completion of the appraisal period, i.e., by May 30 of each year.
- The HRMD will set a deadline for submission of the original, signed performance forms.
- The HRMD will review the forms for completeness, appropriate signatures, including the development discussion signatures, and will return any ratings that need to be corrected.

Employee input

- As with the planning and monitoring steps, the employee must be given the opportunity to have input to his/her performance rating. Regardless of the format, employees are encouraged to provide input on accomplishments relative to performance elements and standards, specifically, addressing how they believe they have met or exceeded their assigned performance standards.

Narrative Summary

- The narrative summary documents the employee’s overall performance to the standards. It must be clear and justify the rationale for the performance summary rating assigned.
- Utilizing the input from the employee can be a very useful tool as this input may contain information the supervisor may have overlooked. In addition, it is an effective way to keep performance an interactive process between the employee and supervisor.

- Accomplishments during the rating period should be as described outputs (products and/or services) produced by the employee. Use specific examples to describe what or how the accomplishment was achieved.
- The narrative summary should describe the element used to achieve results. By identifying the element in the narrative summary, this will better demonstrate whether the employee met or exceeded the expectations as stated in the performance plan.
- A description of the scope and impact of the employee's accomplishments on the office and NASA should be included in the narrative summary in order to explain how the critical work activity supports the identified goals.
- The supervisor should meet with the employee to discuss the employee's accomplishments and the organization's achievements, and to communicate the final rating. The rating is to be signed by both the Rating Official and the employee to indicate the appraisal was held.
- Any recognition received during the appraisal period should also be included; this includes both monetary and non-monetary recognition, e.g., letters and emails.

Reviewing Officials

- The Officials-in-Charge will review all ratings for trends and consistency. This review is documented to HRMD with end of year ratings.
- A second-level supervisory review and signature are required for Unacceptable summary ratings. This review should be completed before the supervisor communicates the rating to the employee.

Detailed/Matrixed employees

- Employees who have changed positions, served on details, or have been matrixed longer than 90 days will be rated by their supervisor of record.
- The detail/matrix supervisor must provide a written assessment of performance on the detail/matrix to the supervisor of record.
- The supervisor of record must consider the detail/matrix supervisor's input in preparing the final rating.

Position changes – employees

- When an employee moves to another position within NASA during the rating period, the losing supervisor will assess the employee's performance on his/her performance elements and standards up to that point. This assessment will be completed on the performance form. However, the losing supervisor will not assign a summary rating; this assessment is not a rating of record.
- The assessment will be given to both the employee and the gaining supervisor.
- The gaining supervisor will assign the employee to a new performance plan (as described in Part II of this document).
- At the end of the appraisal period, the gaining supervisor will consider the previous supervisor's assessment in preparing the final rating of record.
- If the position change occurs within 90 days of the end of the cycle, i.e., February 1 or later, the gaining supervisor may use the previous supervisor's assessment as the final rating of record.

Position changes – supervisors

- When a rating official leaves his/her position prior to the end of the rating period, he/she will assess and document each employee's performance on his/her elements and standards up to that point. However, no summary rating is assigned.
- The assessments will be given to each employee and to the incoming supervisor, or to the person who is authorized to act in the supervisory position.
- The new supervisor must consider the previous supervisor's assessment when preparing the final rating of record.
- If the supervisory position change occurs within 90 days of the end of the cycle, i.e., February 1 or later, the gaining supervisor may use the previous supervisor's assessment as the final rating of record.

New Employees

- The NASA minimum appraisal period is 90 days. Employees who have been on a performance plan for less than 90 days as of April 30th will have their performance period extended until the 90-day period has been completed, at which time they will be rated on the plan that was in effect during that period. They will then be given a new performance plan that will be in effect from the end of their 90-day extended performance period through April 30 of the following year.
- If the employee received an initial performance plan very late in the performance cycle, that plan may be extended and the employee rated as of the end of the next cycle.

Rating levels (definitions from NPR 3430.1C)

Element rating levels:

- **Significantly Exceeds Expectations.** (Level 5) Performance that consistently exceeds the performance standards to an exceptional degree.
- **Exceeds Expectations.** (Level 4) Performance that consistently exceeds the performance standards to a high degree.
- **Meets Expectations.** (Level 3) Performance that fully and consistently meets the performance standards identified.
- **Needs Improvement.** (Level 2) Performance that does not fully meet the performance standards.
- **Fails to Meet Expectations.** (Level 1) Performance that fails to meet the established performance standards.
- **Not Rated.** The employee has had an insufficient opportunity to demonstrate performance on the element. An element that is "Not Rated" does not impact the overall summary rating.

Summary rating levels:

- **Distinguished** (Level 5). Performance when all elements are rated Significantly Exceeds Expectations.
- **Accomplished** (Level 4). Performance when all elements are rated no lower than Exceeds Expectations.
- **Fully Successful** (Level 3). Performance when no element is rated below Meets Expectations.
- **Needs Improvement** (Level 2). Performance when any element is rated below Meets Expectations.
- **Unacceptable** (Level 1). Performance when any critical element is rated Fails to Meet Expectations

A table depicting the definitions and linkages is on page 10.

Distinguished Ratings

- Every employee should have the opportunity to demonstrate performance that significantly exceeds the requirements in his or her individual performance plan.
- The intent of the EPCS policy is that Distinguished ratings should be used to recognize performance that is truly beyond the normal expectations.

Performance Indicators

- Indicators are *information and examples* (not all-inclusive) reflecting performance that may meet expectations for the level at which they are written. Headquarters has established indicators.
- NASA performance standards are written at Level 3 (Meets Expectations). To help employees understand how to achieve higher ratings, indicators must be provided at Level 5. Performance indicators for the Distinguished level reflect:
 - Highly unusual creativity, initiative, or innovation;
 - Accomplishments/results that far exceeded the norm;
 - Development of techniques or processes that established a precedent for future endeavors, or a model for other employees to follow;
 - Anticipation and prevention of potential problems (in contrast to effective response to problems once they have occurred);
 - Exceptional customer service in difficult situations; and
 - Voluntary assumption of demanding additional tasks—while continuing to achieve all expectations for regular duties.

This is not an exhaustive list or a set of absolute criteria, but rather a set of indicators or examples of the sort of performance that could justify a Distinguished rating.

Accomplished Ratings

- Employees whose accomplishments have exceeded expectations by responding to challenges, adapting to changing work situations, etc. are exhibiting performance at the Accomplished level.

Fully Successful Ratings

- Employees who accomplish all that is expected of them have exhibited Fully Successful performance.

Needs Improvement ratings

- Supervisors are urged to consult with the Headquarters HRMD before assigning a Needs Improvement rating.
- A Needs Improvement rating (or lower) supports denial of the employee's next regular within-grade increase.

Unacceptable Ratings

- It is critical that supervisors consult with the HRMD before assigning a "Fails to Meet" rating. HRMD staff will assist with procedural requirements and corrective actions.
- Ideally, the unacceptable performance will have been addressed earlier during the performance period, and the employee will have been placed on a performance improvement plan (PIP).
- The rating of record is delayed if an employee is on a PIP at the end of the regular performance period.

Table of Summary Rating Definitions and Linkages

Summary Rating	Definition	Linkages/consequences
Distinguished	All element ratings are Significantly Exceeds Expectations	Eligible for QSI; Eligible for performance award
Accomplished	All element ratings are no lower than Exceeds Expectations	Eligible for performance award
Fully Successful	No element is rated below Meets Expectations	May be eligible for performance award
Needs Improvement	Any element is rated below Meets Expectations	Not eligible for a performance award; Supports denial of next regular within-grade increase
Unacceptable	Any critical element is rated Fails to Meet expectations	Not eligible for performance award; Must be placed on a performance improvement plan (PIP)* Failure to satisfactorily complete the PIP may result in removal or demotion

* An employee may be placed on a PIP at any time during the performance cycle if performance is at the Fails to Meet level for a critical element. An Unacceptable rating of record is not required.